

MIDTOWN AT CLEAR CREEK METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2023

with

Independent Auditor's Report

C O N T E N T S

	<u>Page</u>
<u>Independent Auditor's Report</u>	I
 <u>Basic Financial Statements</u>	
Balance Sheet/Statement of Net Position - Governmental Funds	1
Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities - Governmental Funds	2
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	3
Notes to Financial Statements	4
 <u>Supplemental Information</u>	
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Debt Service Fund	20
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Capital Projects Fund	21
Schedule of Expenditures - Budget and Actual – General Fund	22
Summary of Assessed Valuation, Mill Levy and Property Taxes Collected	23
 <u>Continuing Disclosure Annual Financial Information – Unaudited</u>	
Assessed Valuation of Classes of Property in the District	24
Ten Largest Owners of Taxable Property Within the District	25
Selected Debt Ratios of the District	26



Board of Directors
Midtown at Clear Creek Metropolitan District
Adams County, Colorado

Independent Auditor’s Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Midtown at Clear Creek Metropolitan District (the “District”), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Midtown at Clear Creek Metropolitan District as of December 31, 2023, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP), and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplemental Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplemental information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

Continuing Disclosure Annual Financial Information

The continuing disclosure annual financial information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

In connection with our audit of the basic financial statements, our responsibility is to read the continuing disclosure annual financial information and consider whether a material inconsistency exists between the continuing disclosure annual financial information and the basic financial statements, or the continuing disclosure annual financial information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the continuing disclosure annual financial information exists, we are required to describe it in our report.

Wipfli LLP
Wipfli LLP
Denver, Colorado

July 13, 2024

MIDTOWN AT CLEAR CREEK METROPOLITAN DISTRICT

BALANCE SHEET/STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS						
Cash and cash equivalents	\$ 1,170,007	\$ -	\$ -	\$ 1,170,007	\$ -	\$ 1,170,007
Cash and cash equivalents - restricted	42,287	1,352,760	-	1,395,047	-	1,395,047
Taxes due from County	1,135	10,215	-	11,350	-	11,350
Accounts receivable - assessments	17,084	-	-	17,084	-	17,084
Accounts receivable - other	98	43,534	-	43,632	-	43,632
Property taxes receivable	224,396	1,705,510	-	1,929,906	-	1,929,906
Prepaid bond insurance	-	-	-	-	579,470	579,470
Capital assets not being depreciated	-	-	-	-	40,437,078	40,437,078
Total Assets	<u>\$ 1,455,007</u>	<u>\$ 3,112,019</u>	<u>\$ -</u>	<u>\$ 4,567,026</u>	<u>41,016,548</u>	<u>45,583,574</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Cost on Refunding	-	-	-	-	790,656	790,656
Total Deferred Outflows of Resources	-	-	-	-	790,656	790,656
Total Assets and Deferred Outflows of Resources	<u>\$ 1,455,007</u>	<u>\$ 3,112,019</u>	<u>\$ -</u>	<u>\$ 4,567,026</u>	<u>41,807,204</u>	<u>46,374,230</u>
LIABILITIES						
Accounts payable	\$ 99,625	\$ 10,200	\$ -	\$ 109,825	-	109,825
Prepaid assessments	22,895	-	-	22,895	-	22,895
Accrued interest on bonds	-	-	-	-	150,141	150,141
Long-term liabilities:						
Due in more than one year	-	-	-	-	32,636,425	32,636,425
Total Liabilities	<u>122,520</u>	<u>10,200</u>	<u>-</u>	<u>132,720</u>	<u>32,786,566</u>	<u>32,919,286</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred property taxes	224,396	1,705,510	-	1,929,906	-	1,929,906
Total Deferred Inflows of Resources	<u>224,396</u>	<u>1,705,510</u>	<u>-</u>	<u>1,929,906</u>	<u>-</u>	<u>1,929,906</u>
FUND BALANCES/NET POSITION						
Fund balances:						
Restricted:						
Emergencies	42,287	-	-	42,287	(42,287)	-
Debt service	-	1,396,309	-	1,396,309	(1,396,309)	-
Assigned	933,275	-	-	933,275	(933,275)	-
Unassigned	132,529	-	-	132,529	(132,529)	-
Total Fund Balances	<u>1,108,091</u>	<u>1,396,309</u>	<u>-</u>	<u>2,504,400</u>	<u>(2,504,400)</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 1,455,007</u>	<u>\$ 3,112,019</u>	<u>\$ -</u>	<u>\$ 4,567,026</u>		
Net Position:						
Net investment in capital assets					7,800,653	7,800,653
Restricted for:						
Emergencies					42,287	42,287
Debt service					1,396,309	1,396,309
Unrestricted					<u>2,285,789</u>	<u>2,285,789</u>
Total Net Position					<u>\$ 11,525,038</u>	<u>\$ 11,525,038</u>

The notes to the financial statements are an integral part of these statements.

MIDTOWN AT CLEAR CREEK METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES						
<u>Operating:</u>						
Operating	\$ 837,484	\$ -	\$ -	\$ 837,484	\$ -	\$ 837,484
General and administrative	230,629	-	-	230,629	-	230,629
Bond interest	-	516,813	-	516,813	701,718	1,218,531
Issuance costs	-	1,153,955	-	1,153,955	(581,080)	572,875
Bond insurance amortization	-	-	-	-	1,610	1,610
Treasurer's fees	-	27,209	-	27,209	-	27,209
Paying agent fees	-	2,500	-	2,500	-	2,500
Accepted capital improvements	-	-	323,448	323,448	(323,448)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	1,068,113	1,700,477	323,448	3,092,038	(201,200)	2,890,838
PROGRAM REVENUES						
Homeowner assessments	853,441	-	-	853,441	-	853,441
Admin transfer fee	8,000	-	-	8,000	-	8,000
Design review income	150	-	-	150	-	150
Keys/fobs	675	-	-	675	-	675
Shed and garden patio user/cleaning	13,350	-	-	13,350	-	13,350
Landscape fee	53,519	-	-	53,519	-	53,519
Community garden plot rental	6,150	-	-	6,150	-	6,150
Legal collection fees reimbursed	6,583	-	-	6,583	-	6,583
Late/interest fees	8,932	-	-	8,932	-	8,932
Fines	875	-	-	875	-	875
CTF Revenue	6,285	-	-	6,285	-	6,285
Other income	3,132	-	-	3,132	-	3,132
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Program Revenues	961,092	-	-	961,092	-	961,092
Net Program Income (Expense)	(107,021)	(1,700,477)	(323,448)	(2,130,946)	201,200	(1,929,746)
GENERAL REVENUES						
Property taxes	201,561	1,814,763	-	2,016,324	-	2,016,324
Specific ownership taxes	13,797	124,217	-	138,014	-	138,014
Interest income	50,969	213,522	4,808	269,299	-	269,299
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total General Revenues	266,327	2,152,502	4,808	2,423,637	-	2,423,637
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES						
	159,306	452,025	(318,640)	292,691	201,200	493,891
OTHER FINANCING SOURCES (USES)						
Developer contributions	-	-	323,448	323,448	-	323,448
Bond proceeds	-	31,860,000	-	31,860,000	(31,860,000)	-
Bond premium	-	685,639	-	685,639	(685,639)	-
Transfer to refunding escrow agent	-	(34,890,430)	-	(34,890,430)	34,890,430	-
Transfer (to) from other funds	(56,081)	112,117	(56,036)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(56,081)	(2,232,674)	267,412	(2,021,343)	2,344,791	323,448
NET CHANGES IN FUND BALANCES	103,225	(1,780,649)	(51,228)	(1,728,652)	1,728,652	
CHANGES IN NET POSITION					817,339	817,339
FUND BALANCES/NET POSITION						
BEGINNING OF YEAR	1,004,866	3,176,958	51,228	4,233,052	6,474,647	10,707,699
END OF YEAR	<u>\$ 1,108,091</u>	<u>\$ 1,396,309</u>	<u>\$ -</u>	<u>\$ 2,504,400</u>	<u>\$ 9,020,638</u>	<u>\$ 11,525,038</u>

The notes to the financial statements are an integral part of these statements.

MIDTOWN AT CLEAR CREEK METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND

For the Year Ended December 31, 2023

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES			
Property taxes	\$ 201,373	\$ 201,561	\$ 188
Specific ownership taxes	14,096	13,797	(299)
Homeowner assessments	853,440	853,441	1
Admin transfer fee	24,000	8,000	(16,000)
Design review income	1,800	150	(1,650)
Keys/fobs	1,200	675	(525)
Shed and garden patio user/cleaning	8,000	13,350	5,350
Landscape fee	53,520	53,519	(1)
Community garden plot rental	8,100	6,150	(1,950)
Legal collection fees reimbursed	4,000	6,583	2,583
Late/interest fees	5,000	8,932	3,932
Fines	600	875	275
CTF Revenue	6,000	6,285	285
Other income	-	3,132	3,132
Interest income	10,000	50,969	40,969
Total Revenues	<u>1,191,129</u>	<u>1,227,419</u>	<u>36,290</u>
EXPENDITURES			
Operating	938,010	837,484	100,526
General and administrative	243,771	230,629	13,142
Reserve for repairs	850,000	-	850,000
Contingency	2,288	-	2,288
Emergency reserve	35,453	-	35,453
Total Expenditures	<u>2,069,522</u>	<u>1,068,113</u>	<u>1,001,409</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(878,393)	159,306	1,037,699
OTHER FINANCING SOURCES			
Transfer (to) from other funds	<u>-</u>	<u>(56,081)</u>	<u>(56,081)</u>
Total Other Financing Sources	<u>-</u>	<u>(56,081)</u>	<u>(56,081)</u>
NET CHANGE IN FUND BALANCE	(878,393)	103,225	981,618
FUND BALANCE:			
BEGINNING OF YEAR	<u>878,393</u>	<u>1,004,866</u>	<u>126,473</u>
END OF YEAR	<u>\$ -</u>	<u>\$ 1,108,091</u>	<u>\$ 1,108,091</u>

The notes to the financial statements are an integral part of these statements.

MIDTOWN AT CLEAR CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Midtown at Clear Creek Metropolitan District, located in Adams County, Colorado, conform to the accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

Clear Creek Station Metropolitan District No. 1 (“District No. 1”), Clear Creek Station Metropolitan District No. 2 (“District No. 2”) and Clear Creek Station Metropolitan District No. 3 (“District No. 3”, and collectively with District No. 1 and District No. 2, the “Districts”) were organized in accordance with a consolidated service plan. The Districts were organized on December 7, 2007, as quasi-municipal corporations established under the State of Colorado Special District Act. The Districts were established to provide for the construction and completion of a part or all of the public improvements for the use and benefit of the residents and property owners within the service area. The Districts were governed by an elected Board of Directors.

On September 26, 2017, District No. 2 adopted a Resolution Initiating the Consolidation of the Districts. On December 13, 2017, District No. 1 and District No. 3 adopted Resolutions Concurring with the Consolidation of the Districts. On May 8, 2018, the eligible electors of each of the Districts voted to approve the formation of Midtown at Clear Creek Metropolitan District (“Midtown” or the “District”) and the assumption of all bonded indebtedness of the Districts by Midtown. On October 23, 2018 the Adams County District Court issued an Amended and Restated Order Organizing the Consolidated District Known as Midtown at Clear Creek Metropolitan District. Midtown is authorized to provide the public improvements and services of the Districts as described in the Service Plan. Specifically, Midtown shall have the power and authority to provide the public improvements contemplated in the Service Plan and to undertake related district activities within the service area of the consolidated district. Midtown is governed by an elected Board of Directors. Midtown also assumed all outstanding bonded indebtedness of the Districts. Subsequent to these transactions, Clear Creek Station Metropolitan District Nos. 1, 2, and 3 ceased to exist as separate legal entities.

MIDTOWN AT CLEAR CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

The District has no employees and all operations and administrative functions are contracted.

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

MIDTOWN AT CLEAR CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

Debt Service Fund – The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.

Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets.

Budgetary Accounting

Budgets are adopted on a non-GAAP basis for the governmental funds. In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. The appropriation is at the total fund expenditures level and lapses at year end.

In September 2023, the District amended its total appropriations in the Debt Service Fund from \$1,369,321 to \$38,627,509 primarily due to the issuance of bonds (see Note 4).

MIDTOWN AT CLEAR CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

Assets, Liabilities and Net Position

Fair Value of Financial Instruments

The District's financial instruments include cash and cash equivalents, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2023, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a minimum number of bank accounts. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category. This item is the Deferred Loss on Refunding which resulted from the refunding of the Series 2017 Bonds with the issuance of the Series 2023 Bonds. The total amount is deferred and recognized as an outflow of resources over the term of the Series 2017 Bonds.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one type of item that qualifies for reporting in this category. This item is deferred property taxes. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

MIDTOWN AT CLEAR CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Original Issue Premium, Deferred Cost on Refunding, and Prepaid Bond Insurance

The original issue premium and the deferred cost of refunding from the Series 2023 Bonds are being amortized over the life of the bonds using the effective interest method. The prepaid bond insurance from the Series 2023 Bonds is being amortized over the life of the bonds using the straight-line method. Accumulated amortization of the original issue premium, deferred cost of refunding, and prepaid bond insurance, amounted to \$2,993, \$3,699, and \$1,610, respectively, at December 31, 2023.

MIDTOWN AT CLEAR CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$42,287 of the General Fund balance has been reserved in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of \$1,396,309 is restricted for the payment of the debt service costs (see Note 4).

Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

The assigned fund balance in the General Fund represents the amount appropriated for use in the budget for the year ending December 31, 2024.

Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund, all funds can report negative amounts.

MIDTOWN AT CLEAR CREEK METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2023

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District can report three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows or resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

Note 2: Cash and Investments

As of December 31, 2023, cash and investments is classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and cash equivalents	\$ 1,170,007
Cash and cash equivalents - restricted	<u>1,395,047</u>
Total	\$ <u>2,565,054</u>

Cash and cash equivalents as of December 31, 2023, consist of the following:

Deposits with financial institutions	\$ 1,406,750
Investments - COLOTRUST	<u>1,158,304</u>
	\$ <u>2,565,054</u>

MIDTOWN AT CLEAR CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

Deposits

Custodial Credit Risk

The Colorado Public Deposit Protection Act, (“PDPA”) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

The District follows state statutes for deposits. None of the District’s deposits were exposed to custodial credit risk.

Investments

Credit Risk

The District has elected to follow state statutes for investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

Custodial and Concentration of Credit Risk

None of the District’s investments are subject to custodial or concentration of credit risk.

Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

Investment Valuation

Certain investments are measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District’s investment is not required to be categorized within the fair value hierarchy. This investment’s value is calculated using the net asset value method (“NAV”) per share.

MIDTOWN AT CLEAR CREEK METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2023

As of December 31, 2023, the District had the following investments:

COLOTRUST

As of December 31, 2023, the District invested in the Colorado Local Governmental Liquid Asset Trust (“COLOTRUST”), a local governmental investment vehicle established for local governmental entities in Colorado to pool surplus funds. COLOTRUST offers three investment options, one of which is COLOTRUST PLUS+. As an investment pool, COLOTRUST operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. COLOTRUST PLUS+ may invest in U.S. Treasuries, government agencies, the highest-rated commercial paper, certain corporate securities, certain money market funds, and certain repurchase agreements, and limits its investments to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value (“NAV”) of \$1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. The custodian’s internal records identify the investments owned by participating governments. COLOTRUST PLUS+ records its investment at fair value and the District records its investment in COLOTRUST PLUS+ using the net asset value. There are no unfunded commitments and there is no redemption notice period. The weighted average maturity is 60 days or less and is rated AAAM by Standard & Poor’s. At December 31, 2023, the District had \$1,158,304 invested in COLOTRUST PLUS+.

Note 3: Capital Assets

An analysis of the changes in capital assets for the year ended December 31, 2023, follows:

<u>Governmental Type Activities:</u>	<u>Balance</u> <u>1/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2023</u>
<u>Capital assets not being depreciated:</u>				
Construction in progress	<u>\$ 40,113,630</u>	<u>\$ 323,448</u>	<u>\$ -</u>	<u>\$ 40,437,078</u>

Upon completion and acceptance, a majority of the capital assets will be conveyed by the District to other local governments. The District will not be responsible for maintenance of capital assets conveyed to other local governments.

MIDTOWN AT CLEAR CREEK METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2023

Note 4: Long-Term Debt

The following is an analysis of changes in long-term debt for the year ending December 31, 2023:

	Balance 1/1/2023	Additions	Reductions	Balance 12/31/2023	Current Portion
<u>General Obligation Bonds:</u>					
Series 2017A	\$ 21,230,000	\$ -	\$ 21,230,000	\$ -	\$ -
Series 2017B	3,265,000	-	3,265,000	-	-
Series 2017C	4,775,000	-	4,775,000	-	-
Series 2023A	-	30,280,000	-	30,280,000	-
Series 2023B	-	1,580,000	-	1,580,000	-
	<u>29,270,000</u>	<u>31,860,000</u>	<u>29,270,000</u>	<u>31,860,000</u>	<u>-</u>
Series 2017A Premium	105,481	-	105,481	-	-
Series 2023A Premium	-	685,639	2,993	682,646	-
Subtotal	<u>29,375,481</u>	<u>32,545,639</u>	<u>29,378,474</u>	<u>32,542,646</u>	<u>-</u>
<u>Other:</u>					
Developer advances	<u>93,779</u>	<u>-</u>	<u>-</u>	<u>93,779</u>	<u>-</u>
	<u>\$ 29,469,260</u>	<u>\$ 32,545,639</u>	<u>\$ 29,378,474</u>	<u>\$ 32,636,425</u>	<u>\$ -</u>

A description of the long-term obligations as of December 31, 2023, is as follows:

Reimbursement and Acquisition Agreement

On November 11, 2008, District No. 1 entered into a Reimbursement and Acquisition Agreement with CARMA, Inc. On December 6, 2011, this agreement was assigned to Midtown, LLC (“Developer”). Per this agreement, District No. 1 agrees to reimburse the Developer for all District Eligible Costs, whether by construction of public infrastructure or by advancement of funds to District No. 1 for the purpose of providing public infrastructure including all related costs such as organization costs, operations and maintenance, engineering, surveying, construction and the costs of acquiring public lands. The repayment of such costs is not to exceed \$30,000,000. The advances do not constitute multiple fiscal year financial obligations of District No. 1 and are not subject to annual appropriation by the District No. 1. The advances bear interest at a rate of 6% from the date of the advance. The advances are to be repaid using bond proceeds or any other legally available revenues. During December 2017, District No. 2 issued General Obligation Bonds and transferred a portion of the proceeds to District No. 1 in order to repay a portion of the Developer Advances.

MIDTOWN AT CLEAR CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

After the issuance of the Series 2017A Bonds, Series 2017B Bonds and 2017C Bonds, amounts repaid are deemed to total \$29,906,221, leaving an outstanding balance which is limited to \$93,779. This amount is outstanding at December 31, 2023, and will not accrue interest. Any additional funding by the Developer subsequent to the issuance of the bonds are deemed contributions by the Developer to the District with no obligation to repay such amounts by the District.

With the consolidation of the Districts, this agreement has now been transferred to Midtown and the related balances are included in the long-term debt schedule above.

\$21,735,000 Limited Tax General Obligation Refunding and Improvement Bonds, Series 2017A, \$3,265,000 Subordinate Limited Tax General Obligation Bonds, Series 2017B, and \$4,775,000 Junior Lien Limited Tax General Obligation Bonds, Series 2017C

On September 7, 2017, District No. 2 issued \$21,735,000 of Limited Tax General Obligation Refunding and Improvement Bonds, Series 2017A (“Series 2017A Bonds”), \$3,265,000 of Subordinate Limited Tax General Obligation Bonds, Series 2017B (“Series 2017B Bonds”), and \$4,775,000 Junior Lien Limited Tax General Obligation bonds, Series 2017C (“Series 2017C Bonds”), (collectively “the Series 2017 Bonds”). The Series 2017 Bonds were issued for the purpose of funding and reimbursing a portion of the costs of acquiring, constructing and installing certain public improvements, refunding the Series 2014 loan, paying capitalized interest on the Series 2017A Bonds, funding the Reserve Fund for the Series 2017A Bonds and to pay the costs of issuing the Series 2017A Bonds, the Series 2017B Bonds and the Series 2017C Bonds.

The Series 2017A Bonds bear interest at rates ranging from 4.375% to 5%, payable semiannually on June 1 and December 1, mature on December 1, 2047 and were issued with a premium of \$139,359. The premium is being amortized over the life of the Series 2017A Bonds using the effective interest method. The Series 2017A Bonds are secured by a required maximum mill levy of 45.000 mills, the portion of specific ownership taxes attributable to the property taxes used for debt service, and a Surplus Fund.

The Series 2017B Bonds bear interest at 7.375% and mature on December 15, 2047. The Subordinate Series 2017B Bonds are cash flow bonds with annual payments anticipated to be made on December 15. Unpaid interest compounds annually on December 15 at the rate of 7.375%. Payments toward interest and principal can be made provided the Series 2017A Bonds are current and the Reserve Fund and Surplus Fund for the Series 2017A Bonds are full. District No. 2 is required to impose the minimum required mill levy of 45.000 mills until the Subordinate Series 2017B Bonds are fully paid or discharged on December 15, 2047; however, only revenues resulting from the number of mills equal to 45.000 mills less the Senior Required Mill Levy are pledged to payment of the Subordinate Series 2017B Bonds.

MIDTOWN AT CLEAR CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

The Series 2017C Bonds bear interest at 8.500% through December 15, 2022, then decrease to 3.000% thereafter, and mature on December 15, 2047. The 2017C Bonds are cash flow bonds with annual payments anticipated to be made on December 15. Unpaid interest compounds annually on December 15 at the rate of 8.500% through December 15, 2022, and at the rate of 3.000% thereafter. Payments toward interest and principal can be made provided the Series 2017A Bonds are current and the Reserve Fund and Surplus Fund for the Series 2017A Bonds are full. District No. 2 is required to impose the minimum required mill levy of 49.750 mills until the Subordinate Series 2017C Bonds are fully paid or discharged on December 15, 2047.

Proceeds of the 2017 Bonds were used to pay in full the Series 2014 Loan.

The Series 2017A, 2017B and 2017C Bonds were defeased on November 22, 2023, in conjunction with the issuance of the Series 2023A and Series 2023B Bonds.

\$30,280,000 Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding Bonds, Series 2023A and \$1,580,000 Subordinate Limited Tax General Obligation Refunding Bonds, Series 2023B(3) Bonds

On November 22, 2023, the District issued \$30,280,000 Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding Bonds, Series 2023A (“Series 2023A Bonds”) and \$1,580,000 Subordinate Limited Tax General Obligation Refunding Bonds, Series 2023B(3) Bonds (“Series 2023B Bonds”), (collectively “refunding bonds”). The Series 2023A Bonds were issued for the purpose of refunding the Series 2017A, Series 2017B and Series 2017C Bonds (“refunded bonds”), funding a portion of the Reserve Requirement for the refunding bonds, and paying other costs in connection with the issuance of the refunding bonds (including bond insurance). The Series 2023B Bonds were issued for the purpose of refunding the refunded bonds and paying costs in connection with the issuance of the Series 2023B Bonds. The Series 2023A Bonds bear interest at a rate of 5.000% and 5.500%, payable semi-annually on June 1 and December 1, commencing June 1, 2024, and mature on December 1, 2053. The Series 2023A Bonds are payable solely from and to the extent of the Pledged Revenue which includes 1) property tax revenues resulting from the Required Mill Levy, 2) the portion of the Specific Ownership Tax collected as the result of the imposition of the Required Mill Levy, and 3) any other amounts as determined by the District. The Series 2023A Bonds are also secured by amounts on deposit in the Reserve Fund and with the issuance of a 2023A Reserve Policy. The Series 2023A Bonds are also subject to optional, mandatory sinking fund and extraordinary mandatory redemption prior to maturity as scheduled in the Indenture. The scheduled payment of principal and interest when due on the Series 2023A Bonds is guaranteed under a Bond Insurance Policy. The Series 2023B Bonds are cash flow bonds which bear interest at a rate of 8.000% are payable annually on December 15 to the extent of available subordinate revenues, and mature on December 15, 2053.

MIDTOWN AT CLEAR CREEK METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2023

Current refunding of debt

The refunding bonds were issued to provide resources to purchase securities to be placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the Series 2017A, 2017B and 2017C Bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$794,355. This amount was recorded as a deferred outflow and amortized over remaining life of the refunded debt issued. The refunding resulted in an economic loss of \$1,502,108 due to the longer term of the refunding bonds.

Events of Default as defined in the Series 2023 Bond Indenture are 1) before the Unlimited Tax Receipt Date, the failure of the District to impose the Required Mill levy, 2) on or after the Unlimited Tax Receipt Date, the failure of the District to pay the principal of, premium, if any, and interest on the Bonds when due, 3) the default by the District in the performance or observance of any other of the covenants, agreements, or conditions of the Indenture or the Bond Resolution, and failure to remedy the same after notice thereof, and 4) the filing of a petition under the federal bankruptcy laws or other applicable laws seeking to adjust the obligations represented by the Bonds.

Remedies available in the Event of Default include 1) receivership, 2) suit for judgment, and 3) other suits. Acceleration of the Series 2023 Bonds is not an available remedy for an Event of Default.

The following is a summary of the annual long-term debt principal and interest requirements of the 2023A Bonds.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ -	\$ 1,602,178	\$ 1,602,178
2025	25,000	1,563,100	1,588,100
2026	180,000	1,561,850	1,741,850
2027	305,000	1,552,850	1,857,850
2028	470,000	1,537,600	2,007,600
2029-2033	3,105,000	7,290,500	10,395,500
2034-2038	4,260,000	6,350,400	10,610,400
2039-2043	5,560,000	5,044,150	10,604,150
2044-2048	7,195,000	3,410,000	10,605,000
2049-2053	9,180,000	1,422,000	10,602,000
	<u>\$ 30,280,000</u>	<u>\$ 31,334,628</u>	<u>\$ 61,614,628</u>

MIDTOWN AT CLEAR CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

Because of the uncertainty of timing of payments under the Series 2023B Bonds, no related schedule of expected principal and interest payments is presented.

Preconsolidation Intergovernmental Agreement Regarding Assumption of Debt by Consolidated District

On March 6, 2018, District Nos. 1, 2, and 3 entered into a Preconsolidation Intergovernmental Agreement Regarding Assumption of Debt by Consolidated District whereby the Districts agreed to authorize the consolidated district (Midtown) to assume the entire general obligation bonded indebtedness of the Districts. This agreement was subsequently approved by the board of the Midtown and all such debt was transferred to the District during 2018.

Debt Authorization

On November 6, 2007, a majority of the qualified electors of the Districts authorized the issuance of indebtedness in an amount not to exceed \$390,000,000 at an interest rate not to exceed 18%. After the issuance of the 2023 Bonds, the remaining authorization is \$331,630,000. In the future, the District may issue a portion or all of the remaining authorized, but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area, however, as of the date of this audit, the amount and timing of any debt issuances is not determinable. Per the District's Service Plan, the District cannot issue debt in excess of \$35,000,000. \$5,225,000 of the Service Plan authorization remains as of December 31, 2023. The District has not budgeted to issue any new debt during 2024.

Note 5: Tax, Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer Bill of Rights ("TABOR"), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

MIDTOWN AT CLEAR CREEK METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2023

On November 6, 2007, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

Note 6: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool ("Pool") which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public officials' liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

Note 7: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

The Governmental Funds Balance Sheet/Statement of Net Position includes an adjustments column. The adjustments may have the following elements:

- 1) capital improvements used in government activities are not financial resources and, therefore are not reported in the funds; and
- 2) long-term liabilities such as bonds and developer advances payable and accrued interest payable are not due and payable in the current period and, therefore, are not in the funds.

MIDTOWN AT CLEAR CREEK METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2023

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments may have the following elements:

- 1) governmental funds report capital outlays as expenditures, however, in the statement of activities, the costs of those assets are held as construction in process pending transfer to other governmental entities or depreciated over their useful lives;
- 2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities;
- 3) governmental funds report developer advances and/or bond proceeds as revenue; and,
- 4) governmental funds report long-term debt payments as expenditures, however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.

SUPPLEMENTAL INFORMATION

MIDTOWN AT CLEAR CREEK METROPOLITAN DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND

For the Year Ended December 31, 2023

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES				
Property taxes	\$ 1,813,072	\$ 1,813,072	\$ 1,814,763	\$ 1,691
Specific ownership taxes	126,915	126,915	124,217	(2,698)
Interest income	<u>30,000</u>	<u>130,000</u>	<u>213,522</u>	<u>83,522</u>
Total Revenues	<u>1,969,987</u>	<u>2,069,987</u>	<u>2,152,502</u>	<u>82,515</u>
EXPENDITURES				
Bond interest	1,033,625	516,813	516,813	-
Bond principal	300,000	-	-	-
Issuance costs		1,125,000	1,153,955	(28,955)
Treasurer's fees	27,196	27,196	27,209	(13)
Paying agent fees	7,500	7,500	2,500	5,000
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total Expenditures	<u>1,369,321</u>	<u>1,677,509</u>	<u>1,700,477</u>	<u>(22,968)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	600,666	392,478	452,025	59,547
OTHER FINANCING SOURCES (USES)				
Bond proceeds		33,500,000	31,860,000	(1,640,000)
Bond premium		60,000	685,639	625,639
Transfer to refunding escrow agent	-	(36,950,000)	(34,890,430)	2,059,570
Transfer (to) from other funds	<u>-</u>	<u>-</u>	<u>112,117</u>	<u>112,117</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(3,390,000)</u>	<u>(2,232,674)</u>	<u>1,157,326</u>
NET CHANGE IN FUND BALANCE				
	600,666	(2,997,522)	(1,780,649)	1,216,873
FUND BALANCE:				
BEGINNING OF YEAR	<u>3,142,652</u>	<u>3,176,958</u>	<u>3,176,958</u>	<u>-</u>
END OF YEAR	<u>\$ 3,743,318</u>	<u>\$ 179,436</u>	<u>\$ 1,396,309</u>	<u>\$ 1,216,873</u>

The notes to the financial statements are an integral part of these statements.

MIDTOWN AT CLEAR CREEK METROPOLITAN DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND

For the Year Ended December 31, 2023

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES			
Interest income	\$ 150	\$ 4,808	\$ 4,658
Total Revenues	<u>150</u>	<u>4,808</u>	<u>4,658</u>
EXPENDITURES			
Capital outlay	200,150	-	200,150
Accepted capital improvements	<u>800,000</u>	<u>323,448</u>	<u>476,552</u>
Total Expenditures	<u>1,000,150</u>	<u>323,448</u>	<u>676,702</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	(1,000,000)	(318,640)	681,360
OTHER FINANCING SOURCES (USES)			
Transfer (to) from other funds	-	(56,036)	(56,036)
Developer contributions	<u>1,000,000</u>	<u>323,448</u>	<u>(676,552)</u>
Total Other Financing Sources (Uses)	<u>1,000,000</u>	<u>267,412</u>	<u>(732,588)</u>
NET CHANGE IN FUND BALANCE			
	-	(51,228)	(51,228)
FUND BALANCE:			
BEGINNING OF YEAR	<u>49,839</u>	<u>51,228</u>	<u>1,389</u>
END OF YEAR	<u>\$ 49,839</u>	<u>\$ -</u>	<u>\$ (49,839)</u>

The notes to the financial statements are an integral part of these statements.

MIDTOWN AT CLEAR CREEK METROPOLITAN DISTRICT

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended December 31, 2023

EXPENDITURES	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<u>Operating:</u>			
Water/sewer	\$ 101,150	\$ 108,965	\$ (7,815)
Sewer maintenance	24,000	23,557	443
Gas/electric	19,800	20,719	(919)
Utility locates	15,000	3,694	11,306
Trash removal	200,000	186,578	13,422
Snow removal	105,000	42,282	62,718
Pet maintenance	3,900	3,276	624
Pest control	660	734	(74)
Telephone	1,800	1,019	781
Security patrol/monitoring	10,000	1,860	8,140
Access control devices	1,000	677	323
Landscape maintenance	164,800	148,798	16,002
Winter watering	12,000	-	12,000
Irrigation repairs	33,000	15,610	17,390
Tree/shrub replacement	40,000	30,058	9,942
Flowers	15,000	1,565	13,435
Tree shrub spray/deep root water	20,000	44,763	(24,763)
Grounds improvements	30,000	28,917	1,083
Splash park waterfall maintenance	15,000	20,203	(5,203)
Concrete/alley maintenance	12,000	18,379	(6,379)
Detention pond maintenance	34,000	12,904	21,096
Backflow testing	3,000	1,552	1,448
Community farm	8,000	3,261	4,739
Garden shed maintenance/supplies	7,000	5,646	1,354
Events/functions	6,900	6,896	4
Shed and garden patio user/cleaning	18,000	23,566	(5,566)
General maintenance	10,000	20,786	(10,786)
General engineering	10,000	16,072	(6,072)
Lighting/electrical repairs	12,000	38,359	(26,359)
Seasonal decorations	2,500	6,788	(4,288)
Signs	2,500	-	2,500
Total operating	<u>938,010</u>	<u>837,484</u>	<u>100,526</u>
<u>General and administrative:</u>			
Legal	80,000	58,181	21,819
Audit	5,250	5,250	-
Election costs	5,000	28,637	(23,637)
Design fees	1,800	1,475	325
Insurance	30,000	30,915	(915)
Storm water utility fee	7,000	6,721	279
Treasurer's fees	3,021	3,021	-
Management	75,000	77,745	(2,745)
Accounting	22,000	13,629	8,371
Office expense	6,000	2,539	3,461
Bank fees	700	947	(247)
Postage	7,000	1,569	5,431
Miscellaneous	1,000	-	1,000
Total general and administrative	<u>243,771</u>	<u>230,629</u>	<u>13,142</u>
<u>Other:</u>			
Reserve for repairs	850,000	-	850,000
Contingency	2,288	-	2,288
Emergency reserve	35,453	-	35,453
Total other	<u>887,741</u>	<u>-</u>	<u>887,741</u>
 Total Expenditures	 <u>\$ 2,069,522</u>	 <u>\$ 1,068,113</u>	 <u>\$ 1,001,409</u>

The notes to the financial statements are an integral part of these statements.

MIDTOWN AT CLEAR CREEK METROPOLITAN DISTRICT

SUMMARY OF ASSESSED VALUATION, MILL LEVY
AND PROPERTY TAXES COLLECTED
December 31, 2023

District No. 2

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied				Total Property Tax		Percent Collected to Levied
		General	Debt Service	Contractual	Total	Levied	Collected	
		2013	\$ 23,270	50.000	0.000	0.000	50.000	
2014	\$ 579,040	0.000	50.000	0.000	50.000	\$ 28,952	\$ 28,952	100.00%
2015	\$ 2,458,620	8.000	42.000	0.000	50.000	\$ 122,931	\$ 122,925	100.00%
2016	\$ 7,784,150	0.000	42.000	8.000	50.000	\$ 389,208	\$ 376,086	96.63%
2017	\$ 9,604,860	8.000	42.000	0.000	50.000	\$ 480,243	\$ 480,241	100.00%
2018	\$ 18,545,590	5.411	48.703	0.000	54.114	\$ 1,003,576	\$ 1,003,576	100.00%

Reported by Clear Creek Station Metropolitan District No. 2 \$ 981,742
 Reported by Midtown at Clear Creek Metropolitan District 21,834
 Total property tax collected for 2018 \$ 1,003,576

District No. 3

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied				Total Property Tax		Percent Collected to Levied
		General	Debt Service	Contractual	Total	Levied	Collected	
		2013	\$ 366,270	50.000	0.000	0.000	50.000	
2014	\$ 34,270	50.000	0.000	0.000	50.000	\$ 1,714	\$ 1,714	100.03%
2015	\$ 284,360	8.000	42.000	0.000	50.000	\$ 14,218	\$ 14,218	100.00%
2016	\$ 437,680	0.000	50.000	0.000	50.000	\$ 21,884	\$ 21,884	100.00%
2017	\$ 437,270	50.000	0.000	0.000	50.000	\$ 21,864	\$ 21,864	100.00%
2018	\$ 633,210	5.000	45.000	0.000	50.000	\$ 31,661	\$ 31,661	100.00%

Reported by Clear Creek Station Metropolitan District #3 \$ 31,656
 Reported by Midtown at Clear Creek Metropolitan District 5
 Total property tax collected for 2018 \$ 31,661

Midtown at Clear Creek

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied				Total Property Tax		Percent Collected to Levied
		General	Debt Service	Contractual	Total	Levied	Collected	
		2019	\$ 21,235,190	5.474	49.273	0.000	54.747	
2020	\$ 29,674,430	5.505	49.558	0.000	55.063	\$ 1,633,963	\$ 1,633,907	100.00%
2021	\$ 32,607,370	5.505	49.558	0.000	55.063	\$ 1,795,460	\$ 1,760,926	98.08%
2022	\$ 36,316,000	5.505	49.558	0.000	55.063	\$ 1,999,668	\$ 2,003,540	100.19%
2023	\$ 35,634,980	5.651	50.879	0.000	56.530	\$ 2,014,445	\$ 2,016,324	100.09%

Estimated for
year ending
December 31,
2024 \$ 42,092,660 5.331 40.518 0.000 45.849 \$ 1,929,906

NOTE

Property taxes collected in any one year include collection of delinquent property taxes levied and/or abatements or valuations in prior years. Information received from the County Treasurer does not permit identification of specific year assessment.

CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION - UNAUDITED

MIDTOWN AT CLEAR CREEK METROPOLITAN DISTRICT

ASSESSED VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT

December 31, 2023

UNAUDITED

<u>Class</u>	<u>2023 Assessed Valuation</u>	<u>Percent of Assessed Valuation</u>
Residential	\$ 39,504,410	93.85%
Vacant	1,323,010	3.14%
Commercial	641,540	1.53%
State assessed	5,960	0.01%
Personal	617,740	1.47%
Total	<u>\$ 42,092,660</u>	<u>100.00%</u>

MIDTOWN AT CLEAR CREEK METROPOLITAN DISTRICT

TEN LARGEST OWNERS OF TAXABLE PROPERTY WITHIN THE DISTRICT

December 31, 2023

UNAUDITED

<u>Taxpayer Name</u>	<u>2023 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Midtown Facility LLC	\$ 972,190	2.31%
Midtown LLC	718,470	1.71%
Public Service Company of CO	557,710	1.33%
Midtown Dwellings LLC	164,180	0.39%
Private Homeowner #1	85,520	0.20%
Private Homeowner #2	83,000	0.20%
Private Homeowner #3	70,960	0.17%
Private Homeowner #4	63,970	0.15%
Private Homeowner #5	63,380	0.15%
Private Homeowner #6	60,400	0.14%
Total	<u>\$ 2,839,780</u>	<u>6.75%</u>

MIDTOWN AT CLEAR CREEK METROPOLITAN DISTRICT

SELECTED DEBT RATIOS OF THE DISTRICT

December 31, 2023

UNAUDITED

Direct Debt (District bonds only)		
2023A Bonds	\$	30,280,000
2023B Bonds		<u>1,580,000</u>
Total	\$	<u><u>31,860,000</u></u>
2023 Assessed Valuation	\$	42,092,660
Direct Debt to 2023 Assessed Valuation		76%
2023 Statutory Actual Value	\$	596,288,739
Direct Debt to 2023 Statutory Actual Value		5%